

S E C R E T

Justification of Supplemental Estimates for Fiscal Year 1952

Departmental

Research and Reports

25X1A

The designation of the Office of Reports and Estimates was changed to the Office of Research and Reports [REDACTED] dated 13 November 1950.

The Office of Research and Reports carries forward two functions formerly the responsibility of the Office of Reports and Estimates. These are the coordinating and publishing responsibility for the National Intelligence Survey series and the coordinating, producing, and servicing of geographic intelligence as a service of common concern. Both of these functions require only relatively minor increases in personnel to enable them to carry on their responsibilities. The workload of these two operations within ORR is governed by the decisions and requirements of other CIA offices and other agencies of the government, and has been steadily increasing.

Due to the reorganization and change in designation of the Office of Reports and Estimates many of its former functions have been transferred to other offices within CIA and to the Department of State, namely the following: To the Office of Current Intelligence all functions connected with the production of the daily and weekly summary of current intelligence; the operation and maintenance of the CIA situation room and the responsibility for the oral and visual presentation of intelligence; and the maintenance of Agency Continuous Duty Officer watch.

To the Office of National Estimates functions of the former Global Survey Group connected with the production, review and maintenance of appraisal of relative strategic significance of each foreign area to the United States; preparation of world-wide Situation Reports to appraise and interpret the global effects of specific foreign situations in their relation to the United States national security and strategic interests.

Functions transferred to the Department of State include Political research to meet the requests of the National Security Council, the Joint Chiefs of Staff and other departments and agencies; intelligence research for psychological warfare; intelligence research on International Organizations, particularly the United Nations; intelligence research on World Communism; intelligence research in the political, cultural and sociological fields for the internal needs of CIA.

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The main function of the Office of Research and Reports is one that has not previously been performed in the United States Government. This is the conduct of authoritative basic research into economic factors affecting the national security with particular emphasis on the economy of the Soviet orbit. In the past the Government has depended on broad generalizations and estimates of economic factors which were prepared on the basis of limited evidence and Ad Hoc analysis. It is the mission of the Office of Research and Reports to find all of the facts available and submit them to exhaustive analysis in order to arrive at the firmest possible conclusion. In many cases the office will be limited by the nature of the evidence to a discovery of the extent of probable error in their estimates, but this will still be a far firmer basis than the Government has had in the past for its decisions involving economic factors. This work of digging out the facts will in many cases involve elaborate fitting together of many small fragments of information in order to arrive at a single aggregate figure. Such an approach is essential at this time because of the importance of the economic capabilities of the Soviet orbit vis-a-vis the non-Soviet world and the inability to obtain this data by more conventional methods.

In addition to the establishment of authoritative data, this office will also coordinate the work of other agencies of the Government engaged in economic research insofar as their work touches on intelligence that affects the interests of national security. As a result of action assigned to CIA by NSC 282, this office has already laid the groundwork for its coordinating role. It is intended that this coordination shall be dynamic, and that the office shall know at all times the nature of the economic research work in progress elsewhere, the relative capabilities of the other agencies, and can count on effective concerted action by all agencies for the solution of the most pressing intelligence problems in the economic field.

Since the creation of the Office of National Estimates a number of problems have been posed to the Office of Research and Reports that will require serious and extensive studies to be based on the authoritative data assembled here. Examples of these problems are: (a) the extent to which the USSR could offset United States counter-attacks by occupying Western Europe and exploiting its economy, and (b) the strategic vulnerability of the Soviet Far East.

These are problems influenced primarily by economic factors that must be studied in detail if the Office of National Estimates is to prepare estimates with any assurance as to the facts underlying their conclusions.

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